

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION

JOSEPH L. CARPENTER,	.	Civil Action No. 1:15cv212
an individual,	.	
	.	
Plaintiff,	.	
	.	
vs.	.	Alexandria, Virginia
	.	October 26, 2015
MYSCHOOL.COM, a domain name,	.	10:00 a.m.
	.	
Defendant.	.	
	.	
.	

TRANSCRIPT OF MOTIONS HEARING
BEFORE THE HONORABLE JOHN F. ANDERSON
UNITED STATES MAGISTRATE JUDGE

APPEARANCES:

FOR THE PLAINTIFF:	STEVEN RINEHART, ESQ. 110 S. Regent Street, Suite 200 Salt Lake City, UT 84111
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FOR THE DEFENDANT:	ATTISON L. BARNES, III, ESQ. DAVID E. WESLOW, ESQ. Wiley Rein LLP 1776 K Street, N.W. Washington, D.C. 20006
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TRANSCRIBER:	ANNELIESE J. THOMSON, RDR, CRR U.S. District Court, Fifth Floor 401 Courthouse Square Alexandria, VA 22314 (703)299-8595
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(Proceedings recorded by electronic sound recording, transcript
produced by computerized transcription.)

1 P R O C E E D I N G S

2 THE CLERK: Joseph L. Carpenter v. MYSCHOOL.COM,
3 Civil Action No. 15cv212.

4 MR. BARNES: Good morning, Your Honor. Attison
5 Barnes on behalf of defendant. With me today is David Weslow
6 of my firm. He's been admitted pro hac vice, and he will argue
7 today.

8 THE COURT: He's going to argue all the motions?

9 MR. BARNES: He is, Your Honor.

10 THE COURT: He's got a lot to argue.

11 MR. BARNES: He's got a lot to argue, I know, but I
12 think he's up to it.

13 THE COURT: All right. Well, have you-all heard
14 anything from Mr. Carpenter's current counsel, Mr. Rinehart?

15 MR. BARNES: We have not, Your Honor. About the
16 hearing? We have not.

17 THE COURT: Yeah. Have you-all had any conversations
18 with him the last week or so to --

19 MR. BARNES: Not to discuss the hearing today other
20 than, obviously, there were some motions and papers filed.

21 THE COURT: Okay.

22 MR. BARNES: I didn't know if he was intending to
23 participate by phone. I just assumed he was going to be here
24 today.

25 THE COURT: Well, I was, too. Well, we have -- I'll

1 tell you what my schedule was going to be. I was going to take
2 up the motion to reopen discovery and the motion to seal
3 related to that motion and followed by the motion to file the
4 amended complaint, then take up the various motions to seal
5 that are related to the summary judgment pleadings, there are
6 six of those, and then hear the argument on motions for summary
7 judgment.

8 So, well, go ahead and have a seat. I'll go ahead
9 and start in on the motions now. The first motion that I'm
10 going to deal with is the motion to reopen discovery. That is
11 docket No. 160. In this motion, the plaintiff is asking the
12 Court to reopen discovery based on some information that they
13 claim came to light in the last day of discovery in the
14 deposition that was taken of the -- and how do you pronounce
15 his name? I don't want to --

16 MR. WESLOW: It's Belousov, Your Honor.

17 THE COURT: Belousov? Okay, Mr. Belousov.

18 Having reviewed the motion to reopen discovery and
19 having reviewed the opposition that was filed, it's clear to
20 the Court that as of June 1, in the answer to interrogatory
21 No. 14, that the plaintiff was aware of the timing in which the
22 defendant had indicated that the domain name was registered.
23 It also was provided with a copy of the e-mail that apparently
24 was the topic of conversation during the deposition.

25 Having found that there was more than sufficient time

1 to explore that during the discovery period, I'm going to deny
2 the motion to reopen discovery.

3 On the motion to seal, which is docket No. 162,
4 Mr. Weslow, I guess I should hear from you about that. I'll
5 just give you a preview. I've looked at a lot of these motions
6 to seal, and there may be one or two things that I think given
7 the nature of the pleadings that are in front of the Court that
8 will probably -- that I'll consider allowing to remain under
9 seal, but this, this is not one of them.

10 Is there anything in their memorandum that you think
11 meets the standard to remain under seal? It's a fair amount
12 that they've, you know, they're talking about when you have
13 actual notice, the registered mark, talking about e-mails being
14 exchanged. You've got this e-mail exchange, the deposition
15 testimony.

16 What, if anything, do you think should remain under
17 seal in their memorandum in support of their motion to reopen
18 discovery?

19 MR. WESLOW: Your Honor, we believe that we can
20 permit the full pleading on the plaintiff's motion to reopen
21 discovery to be included in the record.

22 THE COURT: Well, I do believe -- and we'll get more
23 into it in the pleadings having to do with the motion for
24 summary judgment -- but I think having reviewed those
25 pleadings, it is going to be appropriate to go ahead and have,

1 deny the motion to seal; that is, I'm going to deny the motion
2 to seal, it's No. 162.

3 What I'm going to do in ruling on that motion -- on
4 that motion, what -- I'm going to in the order direct the clerk
5 to unseal docket No. 166, which is the sealed version that was
6 filed.

7 So I'm denying the motion to reopen discovery that is
8 No. 160. I'm denying the motion to seal the memorandum in
9 support of the reopen discovery, which is No. 162, and I'll be
10 asking that the Clerk's Office unseal docket entry 166, which
11 is the currently under seal sealed version of the motion to
12 reopen discovery. Okay.

13 On the motion to file an amended complaint, other
14 than the back-and-forth as to, you know, they should have done
15 it sooner, what, if any, significance or prejudice do you see
16 in allowing the plaintiff to file the amended complaint?

17 MR. WESLOW: Your Honor, we do not oppose the motion.
18 We just wanted to make the record clear that the plaintiff has
19 long known who the owner of the domain name was and that the
20 statements in the motion that plaintiff just acquired this
21 knowledge were, were not accurate.

22 THE COURT: Okay. And I, I fully understand that,
23 and that's fleshed out, I think, in the summary judgment
24 briefings pretty fully, so given -- and I think given the
25 current situation, what I'm going to do is I'm going to go

1 ahead and grant the motion for leave to file the amended
2 complaint, which is docket No. 157. That's with the
3 understanding that all of the -- I'm not going to require --
4 that the same responses that you gave, that is, the answer to
5 the initial complaint, will be deemed done to these -- to the
6 amended complaint, and the same affirmative defenses that
7 you've raised to the initial complaint will be deemed for the
8 purposes of this hearing being made as to the amended
9 complaint. So that will take care of those two motions -- that
10 motion as well.

11 I'll take up the motions to seal, and there are three
12 motions to seal as to each of the motions for summary judgment.
13 Dealing with your motion for summary judgment first, the first
14 motion to seal is docket No. 125, which is the motion to seal
15 your memorandum in support of the motion for summary judgment,
16 which is requesting that various parts of the memorandum be
17 sealed and that Exhibits G through M be filed under seal.

18 Again, I've looked at what you have redacted. I
19 think much of this has to do with the plaintiff's confidential
20 information, certainly the redactions on pages 4 and 5, I
21 believe, and redactions on page 25 and 26 as well. Let me just
22 double -- 25 and 26 having to do with conversations with the
23 Web site developer and 28 as well and G through M.

24 As required by my scheduling order in the case, you
25 know, if you file a motion to seal and it's to seal someone

1 else's confidential information, they're obligated to come in
2 and try and explain to me why that information should remain
3 under seal. They never filed anything in support or to provide
4 any real explanation as to why any of those things should be
5 filed under seal.

6 Do you want to say anything in support of the motion
7 to seal, or are you just filing it under seal because of their
8 desire to have it filed under seal?

9 MR. WESLOW: That's correct, Your Honor. And we had
10 previously asked plaintiff's counsel to de-designate, to remove
11 these designations, and they have declined.

12 THE COURT: Okay.

13 MR. WESLOW: We had filed the motion to seal solely
14 because of the plaintiff's designations.

15 THE COURT: All right. Well, I'm going to -- having
16 reviewed the materials that were filed under seal, I'm going
17 to -- and taking into consideration the Fourth Circuit's
18 standards in this having to do with a motion for summary
19 judgment, there needing to be a compelling governmental
20 interest to allow these materials to be filed under seal, I'm
21 going to deny the motion to seal, that is, docket No. 125.

22 On this one, having looked at the docket sheet, I'm
23 going to request that the Clerk's Office unseal docket entry
24 130, which is the memorandum. It doesn't appear that -- or at
25 least I've been unable to locate Exhibits G through M. 130

1 doesn't have the exhibits attached to it, so I'm going to
2 request that you file a supplemental, just a notice of filing
3 and file Exhibits G through M in the public record, so that
4 will all be part of the public record.

5 Okay. The next motion to seal is docket No. 136.
6 This has to do with plaintiff's motion to seal their opposition
7 to your motion for summary judgment, and in this one, they've
8 designated pretty significant amounts of materials, starting on
9 pages 4 and 5. I guess those are again the material that you
10 had designated that I've now undesignated.

11 There is some information having to do with your --
12 the deposition testimony of your client beginning on pages 6
13 and 7, and then more information having to do with your
14 client's business on 10, 11, 12. I believe that's it until we
15 get to the exhibits, or maybe page 17. 14, 17, 18, 20, and 21.

16 Let's talk about the memo first. What, if anything,
17 in memorandum do you on behalf of your client think would need
18 to remain under seal?

19 MR. WESLOW: Your Honor, we've, we've gone back
20 through the memorandum as well as the exhibits and believe in
21 terms of the documents that we had designated as being
22 confidential, all of these may be made available to the public.

23 THE COURT: Okay. The only one that I, I want to
24 just raise and make sure that you're, you and your client don't
25 have any issues with, I guess, is Exhibit A. That's the

1 supplemental response to the interrogatories along with the
2 list of the domain names that have been sold from May 2014 to
3 April 2015.

4 You know, I, I assume some of this is public
5 information, some of it may not be public information, but I
6 take it your client is willing to allow those to be in the
7 public record; is that correct?

8 MR. WESLOW: That's correct, Your Honor.

9 THE COURT: Okay. All right. Excuse me, I'm sorry.
10 Go ahead and have a seat. I'm going to have a conversation
11 with counsel here.

12 Now, you -- are you here on the Carpenter matter?

13 MR. RINEHART: Yes, Your Honor. I'm counsel for the
14 plaintiff. I ran into some trouble with security.

15 THE COURT: Well, come on up.

16 MR. RINEHART: Okay.

17 THE COURT: Note your appearance.

18 MR. RINEHART: Your Honor, Steven Rinehart for the
19 plaintiff, Joseph Carpenter.

20 THE COURT: Mr. Rinehart, it's 10:18.

21 MR. RINEHART: Yes, Your Honor.

22 THE COURT: Where have you been?

23 MR. RINEHART: I was under the impression I could
24 bring a laptop through security. I had to take it back.

25 THE COURT: What, what would have given you that

1 impression, Mr. Rinehart?

2 MR. RINEHART: Only because in other courts, I've
3 been able to do that, and I just didn't -- I wasn't familiar
4 with the rules.

5 THE COURT: You're not familiar with the rules? You
6 are a member of the bar of this Court.

7 MR. RINEHART: Yes, Your Honor.

8 THE COURT: As a member of the bar of this Court, you
9 need to be familiar with the rules of this Court.

10 MR. RINEHART: I, I understand, Your Honor.

11 THE COURT: And one of the rules of this Court is
12 when there's a hearing at 10:00, you be here at 10:00. Do you
13 understand that?

14 MR. RINEHART: Yes, Your Honor.

15 THE COURT: All right. So you tried to bring a
16 laptop in, and you couldn't bring a laptop in, so what did you
17 have to do then?

18 MR. RINEHART: I took it back out to my car and then
19 came back through security.

20 THE COURT: And that took 20 minutes to do?

21 MR. RINEHART: No, Your Honor. I, I got here about
22 five minutes late even on top of that. Even before I got here
23 with the laptop, I was trying to get through traffic and came
24 in late last night on a -- on the plane.

25 THE COURT: Well, just to try and get you up to speed

1 at this point as to what I have done starting as 10:00, with no
2 one here on behalf of the plaintiff, I've denied the motion to
3 reopen discovery. I've granted the motion for leave to file
4 the amended complaint.

5 I've denied the motion to seal having to do with the
6 motion to reopen discovery. I've denied the motion to seal
7 having to do with the memorandum in support of the -- I guess
8 I'm dealing with that now -- the defendant's memorandum in
9 support of its motion to compel -- no, its motion for summary
10 judgment, and I'm now dealing with your motion to seal the
11 opposition to the defendant's motion for summary judgment,
12 which I am denying, and will require that, that is -- you may
13 have a seat -- the motion to seal, it's docket No. 136, that is
14 the plaintiff's motion to seal the opposition to the
15 defendant's motion for summary judgment, I'm denying that
16 motion to seal and will ask that the Clerk's Office unseal
17 docket entry No. 149, which is the material that was previously
18 filed under seal.

19 The next motion to seal is docket No. 152. This is
20 the motion to seal the reply and Exhibit A to the reply.
21 Mr. Weslow, any need to keep any of those materials filed under
22 seal?

23 MR. WESLOW: Yes, Your Honor. Exhibit A is a
24 confidential settlement agreement that arose following a
25 Canadian court litigation. The settlement agreement's terms

1 require or specify that it may be privately shown but may not
2 be publicly disclosed or be the subject of any general public
3 release.

4 THE COURT: Well, it appears to have been filed -- is
5 that, is that right? -- in the Superior Court in Ontario?

6 MR. WESLOW: Yes, Your Honor. I understand it was
7 filed under seal with that court as well.

8 THE COURT: So I take it that the, the other party to
9 this agreement, your argument is that the other party to this
10 agreement would be prejudiced if it was being made known to the
11 public?

12 MR. WESLOW: That's correct.

13 THE COURT: Okay. Mr. Rinehart, do you have any
14 argument on the motion to seal, that is, docket No. 152?

15 MR. RINEHART: Your Honor, we haven't, we haven't
16 opposed the motion, but it's only out of respect to the
17 material that the defendant has designated confidential. We
18 don't actually see any reason that the settlement agreement
19 should be designated confidential.

20 THE COURT: All right.

21 MR. RINEHART: And it contains only recitals on a
22 couple of agreements that purport to, to be extrajudicial
23 declarations about the UDRP case, Your Honor.

24 THE COURT: Well, looking at what -- there's a
25 redaction on page 5 -- on, I believe, page 4 and a redaction on

1 page 15, both of which relate to the information that's set out
2 in Exhibit A. Given that there is confidential information of
3 a third party in the encouragement of trying to resolve
4 disputes between the parties, I'm going to go ahead and grant
5 the motion to seal, that is, No. 152, and allow those portions
6 of the reply on pages 4 and 15 of Exhibit A to remain under
7 seal at this time.

8 Okay. So motions to seal relating to the plaintiff's
9 cross-motion for summary judgment, we'll turn to them now. The
10 first one is No. 144. That's the motion to seal the memorandum
11 in support in Exhibits C, D, E, F, G, K, and O, I believe.

12 Mr. Rinehart, what --

13 MR. RINEHART: Your Honor, all of these materials
14 were designated confidential or highly confidential by
15 defendant's counsel.

16 THE COURT: All right.

17 MR. RINEHART: It's out of respect for that
18 designation, we've redacted references to them in the
19 memorandum and the exhibits themselves, but we don't have any
20 objection to, to leaving them.

21 THE COURT: Well, you didn't designate your
22 client's -- the defendant was the one who designated
23 Mr. Carpenter's deposition Confidential?

24 MR. RINEHART: Yes, that's true, Your Honor. Yes.

25 THE COURT: You did or they did?

1 MR. RINEHART: They designated that, that
2 Confidential in their summary judgment motion.

3 THE COURT: Okay. Well, I'll find out whether they
4 have any desire to keep any of this under seal.

5 Mr. Weslow?

6 MR. WESLOW: Your Honor, with regard to Exhibit C,
7 which was the defendant's second responses to the request for
8 admissions, these were not marked Confidential, so we don't
9 believe that sealing is required. Exhibit D was the full
10 transcript of Mr. Belousov's deposition. There were portions
11 of the deposition that were marked, designated Confidential and
12 Highly Confidential, but the entire deposition was not marked
13 Confidential and Highly Confidential.

14 I don't believe the references that the -- excuse me,
15 I don't believe plaintiff's references are to the Confidential
16 or Highly Confidential sections, and therefore, it would seem
17 that a redacted version could be filed that could be placed on
18 the public record.

19 THE COURT: Well, what -- I mean, I'll tell you I
20 read the entire transcript of both your client's and
21 Mr. Carpenter's depositions, so I'm, you know, at this point in
22 time, if anybody wanted to have a redacted version
23 supplemented, the time has come to do that. You know, I, I
24 haven't -- if you can point out certain things that you think
25 you want to tell me why you think those should be, remain

1 confidential, I'm at a little bit of a loss as to that simply
2 for yours or Mr. Carpenter's, to be honest with you.

3 MR. WESLOW: With regard to Mr. Carpenter's
4 deposition, no, Your Honor, those -- we're not aware of any
5 sections that need to be designated as confidential or withheld
6 from the public. With regard to Mr. Belousov's deposition, we
7 can also agree that that can be made available to the public.

8 THE COURT: I think some of these, like Exhibit F,
9 we've already dealt with, and one of the others, the same with
10 G, allowing them to be -- K.

11 MR. WESLOW: K, Your Honor, was the e-mail from
12 Mr. Belousov to Mr. Booth.

13 THE COURT: All right.

14 MR. WESLOW: We had produced that. We can agree to
15 have this included in the public record as well.

16 THE COURT: Well, I'm at this point in time, I'm
17 going to go ahead and deny the motion to seal, that is,
18 No. 144, and request that the Clerk's Office unseal what is
19 docket No. 155.

20 That -- it -- well, that may not include the
21 deposition transcripts, but I -- at this point in time, I'm not
22 going to require them to be filed in the public record. I'll
23 just go ahead and deny the motion to seal.

24 I think they may not have been added to docket No.
25 155 given the bulk of them, but at this point in time, I'm

1 going to deny the motion to seal 144 and request that the
2 Clerk's Office unseal what is currently docket entry No. 155.

3 The next is the motion to seal the opposition to
4 plaintiff's cross-motion for summary judgment. That's No. 162,
5 having to do with the memorandum and Exhibit B, which I guess
6 I've already dealt with the Exhibit B part. Is that correct,
7 Mr. Weslow?

8 MR. WESLOW: Yes, it is, Your Honor.

9 THE COURT: All right. Then the only redaction on
10 that -- I believe the only redaction in that memorandum is on
11 page 4, which relates to the information in Exhibit B, so I'm
12 going to go ahead and grant the motion to seal No. 162, allow
13 that opposition to remain under seal.

14 Mr. Rinehart, I haven't seen your unredacted version
15 of the memorandum of your reply. You, you filed electronically
16 a redacted version, what was it, Thursday night? It that when
17 you filed?

18 MR. RINEHART: It was Thursday night about midnight.

19 THE COURT: And have you filed the unredacted version
20 yet?

21 MR. RINEHART: I sent it to the Court, and it was
22 supposed to arrive today. I have a copy here --

23 THE COURT: Well, Mr. Rinehart, sending something to
24 the Court to arrive on the date of a hearing, help me
25 understand that. Why do you think the Court would have had an

1 opportunity to review something that you're sending to the
2 Court by some messenger service or mail or some other delivery
3 service that is going to be getting here after the hearing has
4 started?

5 MR. RINEHART: I tried to get it to the Court as
6 quickly as I could. I have a copy here.

7 THE COURT: Well, Mr. Rinehart, if you're a member of
8 the bar in the Eastern District of Virginia, you need to do
9 what it requires, and you should have had that filed the day
10 after that you filed it electronically. You filed it
11 electronically on Thursday. It should have been filed with the
12 Court on Friday and a copy delivered to me on Friday so that I
13 could have reviewed it before the hearing this morning at
14 10:00.

15 MR. RINEHART: I understand, Your Honor. There's
16 only one sentence that's redacted.

17 THE COURT: I mean, I can guess what that is, but --

18 MR. RINEHART: I can read into the record if you'd
19 like me --

20 THE COURT: Well, it wouldn't really be appropriate
21 to read it into a public record if I'm trying to decide whether
22 it should remain under seal. It relates to the exhibit that
23 I'm allowing to be filed under seal; is that correct?

24 MR. RINEHART: To the, to the Canadian settlement
25 agreement, Your Honor.

1 THE COURT: Okay. So I'm going to grant -- I'll go
2 ahead and grant the motion to seal, that is, docket No. 177,
3 and allow the -- I assume, I assume you will make sure that an
4 unredacted version gets put into the public -- or gets filed
5 with the Clerk's Office so it can have a docket entry --

6 MR. RINEHART: Yes.

7 THE COURT: -- so we can consider it, all right.

8 So that deals with the motion to reopen discovery,
9 the motion to file the amended -- and just so you know, on the
10 motion to file the amended complaint, I granted your motion to
11 file the amended complaint but with the caveat that all of the
12 responses that the defendant did to your original complaint
13 would be deemed done to the amended complaint, with the
14 understanding --

15 MR. RINEHART: Yes, Your Honor.

16 THE COURT: -- of the little changes that you did
17 there and the same affirmative defenses that they asserted in
18 the -- to the original complaint are being asserted -- deemed
19 asserted for the purposes of this argument today, without the
20 need to file any new answer or responsive pleading to the
21 amended complaint.

22 All right. So now we're to the main event, which are
23 the two motions for summary judgment. What, what I intend to
24 do is go ahead and allow the plaintiff to argue first, allow
25 the defendant to argue. You know, the issues are so

1 interrelated, I don't think that it's going to make -- I'm
2 going to give each side two chances to argue. I'll give the
3 plaintiff a chance to argue, defendant a chance to argue,
4 plaintiff a chance to argue, and the defendant a chance to
5 argue, okay?

6 So I'll go ahead and hear from you, Mr. Rinehart.

7 MR. RINEHART: Thank you, Your Honor. Your Honor, on
8 the plaintiff's motion for summary judgment, the plaintiff is,
9 it is obvious from the record, is the owner of a registered
10 trademark on the principal register.

11 THE COURT: For certain goods and services.

12 MR. RINEHART: It's a service mark, and it is in the,
13 on the expression "myschool," which is identical to the
14 disputed domain in this proceeding, of course.

15 Now, the motions touched a little bit on whether this
16 mark is descriptive or suggestive. The mark denotes a school,
17 which is a tangible place, a building, an institution. If my
18 client were in the business of selling schools or if they owned
19 a school, I would say that the mark would be more descriptive,
20 but my client is in the business of offering a service,
21 services that -- commentary for alumni of different schools, a
22 marketing service which is relating to schools.

23 The U.S. Patent & Trademark Office determined that
24 this mark was suggestive and thus inherently distinctive and --

25 THE COURT: Well, that's only suggestive as to the

1 uses that it was, in its application, right?

2 MR. RINEHART: That's right.

3 THE COURT: Okay. It's not that the mark is
4 suggestive as to all uses, only those uses set out in the
5 application.

6 MR. RINEHART: That's, that's, that's accurate, Your
7 Honor. However, I would point out that opposing counsel has
8 argued that it's descriptive even with respect to those
9 services, and so we might make some progress today if there was
10 some sort of understanding that it is suggestive with respect
11 to those services.

12 Now, the defendant is -- I mean, the plaintiff would
13 characterize them as a cybersquatter; they'd object to that
14 characterization; but they own, it's undisputed, over 50,000
15 domain names. In the last 12 months, they've sold -- and I --
16 there is some confidential material that, that --

17 THE COURT: Well, the only thing -- and just to get
18 you up to -- the only thing that is really confidential is the
19 explicit terms of the settlement agreement in Canada.

20 MR. RINEHART: Okay.

21 THE COURT: I don't think there's any -- and,
22 Mr. Weslow, am I wrong? I think that's the only thing that
23 I'm -- I've allowed, that they own 50,000 domain names, that
24 they've sold 4 or 500 domain names in the last year.

25 MR. RINEHART: Right.

1 THE COURT: All of that information is now part of
2 the public record given the nature of this proceeding.

3 MR. RINEHART: Okay. Thank you, Your Honor. The
4 amount of domain names they've sold over the last 12 months is
5 594. I believe that's what the exhibits show. We went through
6 and tried to look at how many of those domain names are
7 trademarked. Keep in mind, none of the domain names are
8 actually being used in commerce. They're all just sitting
9 on these -- the defendant is sitting on these domain names
10 and --

11 THE COURT: Well, there are two different things:
12 sitting on them and using them to direct traffic somewhere else
13 is different. I mean, I don't understand why you would say
14 that them making use of the domain name that generates \$700 a
15 month income for them isn't use in commerce.

16 MR. RINEHART: Well, use in commerce would be use in
17 connection with an offering of a good or service, and they're
18 resolving these domain names, each of them, to a generic
19 landing page. The landing page is the same at every domain
20 name. The only thing that differs from one domain name to the
21 other are the ads, the third-party ads that are shown on the
22 domain name.

23 And this is not use in commerce, the Trademark Office
24 wouldn't consider it to be use in commerce just to have a
25 generic landing page at the domain name.

1 And they generate, yes, cost-per-click or also called
2 pay-per-click revenue from the ads that are displayed on these
3 generic landing pages. The ads that are displayed according to
4 the defendant in his deposition, they're, they're chosen via an
5 algorithm that he's hired a third party to use, so a third
6 party controls the placement of these ads on the domain, but he
7 registered these domains with the intent to benefit from the
8 traffic in these expressions, with the intent to sell these
9 domain names, keeping in mind that 144 of the last 594 he sold
10 are trademarked to benefit from the sale of these to other
11 parties.

12 Now, the Fourth Circuit's held, even this Court's
13 held that it's hard to prove intent, but we have evidence here
14 that, I think, proves it. We have a history of cybersquatting
15 on the part of the defendant. There's some dispute over
16 whether he's lost one UDRP case or three UDRP cases prior to
17 this, but I hope that the memorandum made it clear that he's
18 lost three, which are all three that were filed except the one
19 that preceded this case. He's been banned, the evidence shows,
20 from other Web sites for committing fraud to falsifying
21 impressions.

22 Now, this is just the evidence that we have, that
23 we've tried to attach to show intent.

24 THE COURT: What, what does this eight or nine years
25 ago, that he was somehow or another, you know, banned from the

1 Internet, your argument, have to do with cybersquatting?

2 MR. RINEHART: Well, we're trying to show intent.
3 We're trying to show bad faith intent and establish --

4 THE COURT: So you don't think filing serial UDRP
5 proceedings could show bad faith intent?

6 MR. RINEHART: You mean on the part of the plaintiff?

7 THE COURT: Yeah.

8 MR. RINEHART: No, Your Honor.

9 THE COURT: Okay.

10 MR. RINEHART: The UDRP cases are entitled to no
11 deference, and there were two UDRP cases that preceded this
12 case. One was in 2010; one was in 2014. The first did not
13 involve the current registrant.

14 THE COURT: No, but it involved the same domain name.

15 MR. RINEHART: Well, it did involve the same domain
16 name, but the ruling in that case was against the complainant
17 because the domain had been registered before he accrued
18 trademark rights.

19 In the second case, the domain was registered clearly
20 after he accrued trademark rights, and so there was every
21 justification in the world for filing the second UDRP case.
22 The first did not involve the current part -- the current
23 defendant.

24 THE COURT: Right, I understand.

25 MR. RINEHART: And, and they claim to have had no

1 knowledge of it, so it wouldn't have provided a basis for
2 them --

3 THE COURT: No, no. And there's difference between
4 registration and use, and we'll get into that, but I, I just
5 didn't see any significance to this information having to do
6 with some Web site or some posting eight or nine years ago
7 having to do with the issues that I need to deal with on your
8 motion and their motion and --

9 MR. RINEHART: Right. I understand, Your Honor, but
10 it may be attenuated, but it does show that at least one other
11 party believes the registrant in this case is doing things to
12 try and inflate traffic, to try and generate increased
13 cost-per-click revenue from domains that they're not entitled
14 to.

15 By falsifying impressions, they're increasing the
16 revenue that they're generating from cost-per-click ads, and so
17 it demonstrates a willingness on the part of the registrant or
18 the res defendant to break the law to increase revenue, and so
19 that would be the relevance, if any, Your Honor, and we believe
20 that this is really just a simple cybersquatting matter. There
21 was a lost UDRP case before this.

22 All in my experience -- or I guess I shouldn't say
23 all, but most in rem cases before the Eastern District follow
24 lost UDRP cases. The UDRP says you can file a lawsuit before,
25 during, or after the case, and the courts have repeatedly ruled

1 that they're entitled to no deference or review de novo.

2 In the Court's de novo review, we hope that the Court
3 sees that there's a valid and subsisting trademark, the
4 disputed domain is identical, the defendant has a history of
5 registering trademark domains and selling them, and that this
6 is really a case that's more simple than it seems from the
7 memoranda of the, of the defendant.

8 The defendant has sent hundreds of discovery requests
9 in this case and done everything they can to try and find some
10 defense, something to hang their hat on in some sort of fishing
11 expedition. They claim that the defendant's -- or the
12 plaintiff's use of the, of the mark was token at first. Well,
13 that's, that's not really a cognizable defense to trademark
14 use, that it wasn't as extensive as someone else's use. It was
15 being used.

16 They, they have tried to assert that there's an
17 irregularity on the specimen statement of use that were
18 submitted in connection with the trademark filing before the
19 U.S. Patent & Trademark Office, and the --

20 THE COURT: Well, if -- and I, I think your client
21 admitted at his deposition, didn't he, that "myschool" was not
22 part of the use in commerce; is that right?

23 MR. RINEHART: He did. He did, Your Honor.

24 THE COURT: Okay. Well, then what, what did you
25 present to the Trademark Office that shows the use of the

1 trademark MYSCHOOL in commerce as a specimen in 2008?

2 MR. RINEHART: In 2008, it was originally filed, the
3 trademark application, as a 1b intent to use application.

4 THE COURT: All right. That was in 2007.

5 MR. RINEHART: That was in 2007. In 2008, it was
6 converted to a 1a, and the specimen, the statement of use that
7 was filed in 2008 was a screen shot of, of the plaintiff's Web
8 site at MYSCHOOL411.COM. It showed the Web site, it showed the
9 mark on the Web site.

10 THE COURT: Well, where did it show the mark on the
11 Web site other than what was then typed in or inserted that
12 wasn't really part of the use in commerce? That, that was my
13 question.

14 MR. RINEHART: I believe, Your Honor, that -- let me
15 see if I can find the specimen, but I believe it shows the mark
16 in the top corner.

17 THE COURT: Well, that's, that's, that's what was
18 added, isn't it?

19 MR. RINEHART: No. The text that was added --

20 THE COURT: Show me the exhibit then, and then tell
21 me where it is.

22 MR. RINEHART: Okay.

23 THE COURT: This may not really be in your motion,
24 but it could be in.

25 MR. RINEHART: Your Honor, I believe it's included as

1 an exhibit to defendant's original motion for summary judgment,
2 and I don't have the exhibit right here in front of me. I --

3 THE COURT: All right.

4 MR. RINEHART: Perhaps I can --

5 THE COURT: I think it might be -- I'm close to it,
6 if not there. Is it O? You've got Exhibit O to defendant's
7 memorandum in support of its motion for summary judgment, which
8 are two pages; is that right?

9 MR. RINEHART: I believe that is right, Your Honor.

10 THE COURT: Well, Mr. Rinehart, you don't have the
11 pleadings with you?

12 MR. RINEHART: I do, Your Honor. I just don't have
13 all the exhibits. I hoped to bring them in electronically.
14 They were so voluminous, I -- but I can represent to the Court,
15 Your Honor, that the text MYSCHOOL.COM is not the mark that's
16 shown in the specimen. It's just -- it was added almost as a
17 header to the top of the specimen.

18 THE COURT: Right. And so the only thing that shows
19 up is school, Bad Idea Magazine, message board, Springfield
20 Valley High School, about messages. I mean, what I see doesn't
21 have "myschool" as a part of any use in commerce in the -- if
22 you took out what was added, that is, the MYSCHOOL.COM, which
23 your client has said was not part of what was actually being
24 used in commerce at the time --

25 MR. RINEHART: That's accurate, Your Honor.

1 THE COURT: If you look at the remainder of the
2 exhibit, I'm asking what in the remainder of that exhibit shows
3 the use of "myschool" in commerce.

4 MR. RINEHART: Well, it's shown in the MYSCHOOL411
5 URL, which is accurate.

6 THE COURT: So the footer that says
7 WWW.MYSCHOOL411.COM message board, you're saying that's the use
8 of the MYSCHOOL mark in commerce?

9 MR. RINEHART: Well, it does show the "myschool"
10 expression, yes, in this -- in the specimen, and the parties
11 have agreed that that's accurate. I, I believe that the title
12 of the Web site, "MYSCHOOL," is shown in the specimen, and if
13 it's not there in your documentation, it was cut off. Perhaps
14 opposing counsel can help us understand that. It is shown at
15 the top of the Web site.

16 THE COURT: Okay. All right.

17 MR. RINEHART: Anyway, these are the defenses, and
18 this, this is what's, the items that have become an issue in
19 this motion.

20 THE COURT: Well, one of the issues you have to show
21 is that you have a valid and subsisting trademark, right?

22 MR. RINEHART: However, the, the opposing counsel
23 appears to be trying to advance some sort of fraud
24 counterclaim, which was dismissed --

25 THE COURT: Well --

1 MR. RINEHART: Both in the deposition and in this
2 motion, it appears that they're doing that.

3 THE COURT: Well, they're asserting it as an
4 affirmative defense that you don't have a valid trademark.

5 MR. RINEHART: But in arguing over intent, in arguing
6 over what the specimen, whether the specimen that was submitted
7 has some sort of irregularity, they seem to really be advancing
8 a fraud counterclaim, which is irrelevant to the, to --

9 THE COURT: Well, if you have not submitted
10 sufficient information to the Trademark Office or have
11 submitted false information, if it's false, and have obtained a
12 trademark based on either insufficient or false information,
13 then you shouldn't have a valid trademark, right? I mean --

14 MR. RINEHART: That -- I would say that that's right
15 but that the mechanism for attacking its validity would be a
16 counterclaim. An affirmative defense is not, you know, a
17 vehicle before the Court upon which someone can seek relief.

18 THE COURT: No, but it cannot be found -- if you're
19 asserting trademark infringement, and let's just look at a
20 basic trademark infringement case, if you are asserting
21 trademark infringement, the other -- the defendant in that case
22 could say, "I'm not responsible for trademark infringement
23 because you don't have a valid trademark." Same with copyright
24 infringement, same with patent infringement.

25 You can bring defenses to what is a material element

1 of a claim; that is, in order to assert patent, copyright, or
2 trademark infringement, you have to have a valid patent,
3 copyright, or a trademark.

4 MR. RINEHART: The defendant is asking for the
5 trademark to be cancelled.

6 THE COURT: Right, I understand that, and that may be
7 a stretch as far as the relief, but the issue that I'm asking,
8 I mean, talking about now is in order to prevail on a
9 cybersquatting or cyberpiracy claim under the ACPA, you have to
10 have a trademark, and, you know, I agree that the registration
11 gives you a presumption of validity. They have raised
12 information that calls that into question.

13 You still have the burden of proof, right? I mean,
14 you recognize that, that it's only -- you still have the burden
15 of proving the element that is required to show trademark
16 infringe- -- that you have a valid trademark.

17 MR. RINEHART: That's right, Your Honor. And for
18 what it's worth, in a deposition, this question was explored by
19 the defendant. He was asked -- the plaintiff was asked about
20 the specimen. He was asked about a statement of use, and the
21 parties agreed that he did begin using this trademark on the
22 date that he filed the specimen, December 8, but they've
23 asserted in their memoranda that it was token use, that it was
24 somehow insignificant --

25 THE COURT: Well --

1 MR. RINEHART: -- because there weren't enough users.
2 And so the use is not disputed. It's just the extent
3 of it.

4 THE COURT: Well, it's the use as to all categories
5 is disputed, right? I mean, the alleged use that shows up on
6 the specimens that you have isn't necessarily consistent with
7 both classifications that you've got in your mark, right?

8 MR. RINEHART: Well, I, I think that all the services
9 in the mark are shown on the Web site.

10 THE COURT: Advertising services are showing up in
11 that?

12 MR. RINEHART: Well, they're shown on the Web site.
13 They were shown on the Web site at the time.

14 He -- the trademark holder is required to submit only
15 one specimen of use, not a separate specimen for each subclass,
16 only a specimen for each international class, and so that
17 specimen required -- it's only required that it show one of
18 those subclasses.

19 THE COURT: Okay. And at the time, there were, what,
20 15 or 20 people, most of which were part of the development
21 team?

22 MR. RINEHART: There were at the time it began, the
23 day it went into use, but within a year, there were 2,000.

24 THE COURT: Okay. All right. So we're -- anything
25 else on the validity of the trademark as it relates to the

1 goods and services -- or the services that are set out in the
2 application?

3 MR. RINEHART: No, Your Honor. That's, that's all I
4 have on that point right now. Perhaps I can save any further
5 arguments for rebuttal, but I think the other side will
6 stipulate that it was being used as I've described.

7 THE COURT: All right. Well, what about the bad
8 faith intent to profit from the mark? You haven't made any
9 argument on that yet.

10 MR. RINEHART: Well, intent is a, is a difficult
11 thing to establish. What we have tried to show is we tried to
12 show that the defendant has admitted familiarity not just with
13 the Uniform Domain Name Resolution Policy, the UDRP, but also
14 the ACPA, the Anticybersquatting Consumer Protection Act. He
15 admitted as much in a couple different places in his
16 deposition. We've referred the Court to those admissions.

17 That -- defendant has admitted that all of the domain
18 names that he has registered, 50,000 or more, may be
19 trademarked. I believe that there has not been any submission
20 to the Court that the demonstrative exhibit we showed -- we
21 submitted showing 144 of the last 594 domains that were
22 submitted were trademarked. They haven't denied that.

23 And so these things show that the defendant is
24 familiar with the cybersquatting laws, that he understands he's
25 selling trademark domains, and demonstrate a bad faith intent

1 to, to profit. The only argument that the defendants have
2 advanced for safe harbor, for believing their registration was
3 valid, was the first Uniform Domain Name Resolution --

4 THE COURT: No, no. Their main argument is: We
5 didn't know that there was a trademark for "myschool," and,
6 Mr. Rinehart, you said on no less than six times in your
7 pleadings that you have filed here that there is evidence
8 showing that the registrant knew of the trademark at the time
9 it was registered. I need you to explain to me how you can
10 make those statements six times in pleadings that you have
11 filed with the Court.

12 MR. RINEHART: Okay, Your Honor. This fits into the
13 issue of actual notice and constructive notice.

14 THE COURT: And you said actual notice, so --

15 MR. RINEHART: Right. We believe that the defendant
16 had both actual and constructive notice and --

17 THE COURT: Well, what, what evidence do you have of
18 that?

19 MR. RINEHART: The evidence is the e-mail thread
20 that's included as Exhibit K to the plaintiff's --

21 THE COURT: So let's just get the time frame down.
22 The registration you now have acknowledged was in March of
23 2013, right?

24 MR. RINEHART: Um-hum, yes, Your Honor. Between
25 March 13 and March 14 of 2013.

1 THE COURT: And this e-mail that you are -- that you
2 say shows that they had knowledge of the trademark in March of
3 2013 is dated September 2014; is that right?

4 MR. RINEHART: It is. It's September 4, 2014.

5 THE COURT: All right. So how do -- how does an
6 e-mail -- and knowing how they claim that e-mail came into
7 existence -- how does the existence of an e-mail on
8 September 4, 2014, establish that they had knowledge of
9 something 18 months earlier?

10 MR. RINEHART: It's the content of the e-mail, Your
11 Honor. The defendant, Yonaton Belousov, is e-mailing the prior
12 registrant in 2010 and discussing the case in 2010 that
13 involved the trademark and demonstrating a familiarity with
14 that case. There is no introduction: "Hi, my name is Yonaton.
15 Do you remember this case?"

16 It's, it's an obvious familiarity that exists between
17 the parties. Any reasonable person would read that e-mail and
18 know that they both knew about it.

19 THE COURT: Well, no. They knew each other --

20 MR. RINEHART: Well, I --

21 THE COURT: -- and there was no --

22 MR. RINEHART: I would --

23 THE COURT: I mean, it's clear that they knew each
24 before 2014.

25 MR. RINEHART: It is, but I believe, Your Honor, that

1 it's equally clear that they knew the case. They immediately
2 launched into a discussion of the case. He says, "I need the
3 documents from that case."

4 He says, "Okay. I'll send them to you."

5 It's not -- there's not any question, any inquiring
6 about whether he was the proper party to the case, and as the
7 complaint was originally filed, we believe the registration
8 date was the date of the privacy (inaudible), which went on
9 after this e-mail. Now, I think this e-mail alone shows
10 knowledge of the case in 2010.

11 THE COURT: Well, knowledge of the case on September
12 4, 2014. I, I still don't understand how you say that shows
13 knowledge of the first UDRP proceeding or the trademark, actual
14 knowledge of the trademark any earlier than that e-mail.

15 MR. RINEHART: Well, it's a twofold inquiry. First,
16 if you understand or if you know that the UDRP case existed in
17 2010, you know the trademark existed because the trademark
18 underlied the UDRP case. So the question is did he know of the
19 UDRP case, and the e-mail shows not that he acquired knowledge
20 that day but that he acquired it before, and the earlier case
21 existed in 2010.

22 THE COURT: Well, but was it a day before? Was it a
23 week before? Was it two hours before he sent that e-mail?
24 What, what other than pure speculation is it that he knew back
25 in March of 2013 of the first UDRP proceeding and of a

1 registered trademark for myschool?

2 MR. RINEHART: We would like to have more evidence of
3 that. We'd like to get the e-mails from his attorney. That
4 was the, the purpose of the motion to reopen limited fact
5 discovery, but the only, the only --

6 THE COURT: No, I heard that motion at ten.

7 MR. RINEHART: I understand.

8 THE COURT: The reason I denied it, you can get the
9 transcript and read it again, but, you know, you had that
10 information on June 1. You knew when they were saying they had
11 notice of it. You had that e-mail as of June 1. You deposed
12 him on August 14. You had a full opportunity to ask him
13 questions. The only objection that was made at the time was
14 not to tell him about advice, and that was a proper objection,
15 not to talk about advice.

16 You had the opportunity -- he told you he got it from
17 his lawyer. You went on and asked other questions about
18 certain things, you know, what did you do after this and what
19 did you do after that. So there's absolutely no basis to
20 reopen discovery. You had full opportunity to find out
21 anything you needed to find out about that e-mail and their
22 position as to when they first got notice, having been aware of
23 that since June 1.

24 MR. RINEHART: I understand, Your Honor. To answer
25 the Court's question, the only evidence that we have of actual

1 notice, which we think is evidence and does establish actual
2 notice, is the admission of the defendant in his deposition
3 that he's familiar with these laws, that he does trademark
4 investigations before he registers the domains, and this e-mail
5 showing that prior to the second UDRP case --

6 THE COURT: What is the deposition testimony that he
7 does trademark investigations?

8 MR. RINEHART: Well, I have the deposition here, and
9 if you'd like me to, I can find those references while --

10 THE COURT: Fine.

11 MR. RINEHART: He, he, he -- there's a discussion in
12 the deposition about whether he understands U.S. trademark law,
13 whether he investigates the domains that he's registering to
14 see if they're trademarked, and he says that he does.

15 THE COURT: What was his testimony about the
16 investigation as to whether "myschool" was trademarked?

17 MR. RINEHART: He says that he saw myschool on the
18 domain name Sedo.com or "Sedo," it's an auction Web site for
19 domain names, and that he thought it was a good price and that
20 he registered it. He denies knowledge that it was -- of
21 knowing that it was trademarked and of the earlier UDRP case,
22 despite earlier in the deposition testifying that he does do
23 these searches to see if they're trademarked, and so we believe
24 his testimony is contradictory in a sense. We believe he's
25 trying to hide the fact that he had actual notice.

1 THE COURT: Okay. Well, let's go through the bad
2 faith issue again.

3 MR. RINEHART: Okay.

4 THE COURT: So we -- they registered the mark in
5 2013 --

6 MR. RINEHART: I'm sorry, 2009 the mark was
7 registered.

8 THE COURT: Well, when -- I'm talking about when the,
9 registered the domain name.

10 MR. RINEHART: The domain name, yes.

11 THE COURT: He got the domain name in 2013. The
12 statute talks about bad faith intent, but it talks about
13 registration and use, so I want to talk first about the
14 registration. You're saying there was bad faith intent because
15 based on a September 4, 2014 e-mail, you believed he had notice
16 of the registration back in March of 2013; is that right?

17 MR. RINEHART: No, we're also saying that his
18 deposition establishes that he generally acquires this notice
19 and that the domains that he sold show that he, he traffics in
20 trademark domains and that he knows this, his deposition knows
21 this.

22 THE COURT: And some of those names are things like
23 thugs.org, billie.org, Gatsby, Gecko, snuggle, bonny,
24 asteroids. Those are all ones that you say show that he is a,
25 registering in trademarked domain names?

1 MR. RINEHART: Some of the domain names have more
2 descriptive uses than others.

3 THE COURT: 24hours.org?

4 MR. RINEHART: Well, these --

5 THE COURT: Predator.org, rams.org, ascot.org,
6 eiffel.net, ozark.net, grunge.net, reinvent.net,
7 michelangelo.org.

8 MR. RINEHART: We have tried to point out the domains
9 that trademarks insisted on. However, there's also
10 fujisan.net. There's iweb.org, there's --

11 THE COURT: Well, iweb?

12 MR. RINEHART: Well, it's trademarked, Your Honor.

13 THE COURT: Chalkboard, gotnet?

14 MR. RINEHART: Some of these are more clear trademark
15 violations than others, Your Honor, but there are some on here
16 that could not be used for anything but to sell to the
17 registered trademark holder: Selfiestick; Comeaux;
18 worldseries.net, this is trademarked by the, you know, the
19 National Baseball League; fountainebleau, spelled the way that
20 it is trademarked in both U.S. and Canada.

21 And so we submitted the domains that have trademarks
22 on them, recognizing that not all of these would be found to be
23 trademark infringement if litigated over, but I think some of
24 them would, and that combined with the admission of the
25 defendant that he knows these domain names are trademarked.

1 The defendant may think that U.S. cybersquatting law
2 isn't fair or that he doesn't have to abide by it in Canada,
3 but it is the law, and it's meant to protect trademark holders.

4 THE COURT: Well, yes, that's true, but the statute
5 requires much more than I have a trademark and the domain name
6 is identical or confusingly similar to my trademark.

7 MR. RINEHART: It does.

8 THE COURT: And, you know, that, that's where the
9 extra protection comes in to people who are registering domain
10 names, and if it was as simple as I have a trademark and the
11 domain name is the same as my trademark, I win and I get it,
12 you might have an argument here, but the statute requires
13 substantially more than that, and there are, as you well know,
14 many people who use the same trademark in different areas of
15 commerce.

16 MR. RINEHART: Yes, Your Honor, there are.

17 THE COURT: So Delta Faucets, Delta Airplanes, you
18 know, that, that domain name would be pinging back and forth
19 all the time if all you had to do is show I have a registered
20 trademark and it is the same as my trademark.

21 MR. RINEHART: And in that case, there are different
22 parties using the mark. In this case, there are not. There is
23 no use of the mark by the defendant and --

24 THE COURT: Well, this is not a mark that isn't in
25 use.

1 MR. RINEHART: Well, use in commerce.

2 THE COURT: This is not a parked domain name where it
3 is just being stored. It is generating income, and you're
4 saying -- and that goes to your intent to profit because they
5 are profiting from the use of the mark, and so they are using
6 the mark.

7 MR. RINEHART: Your Honor, all parked domain names
8 that are being passively held are generating revenue.

9 THE COURT: No. There are many domain names that you
10 go to it and says "Web site under construction" or it doesn't
11 resolve to a Web page at all. I can reserve a domain name and
12 not do anything with it.

13 MR. RINEHART: But the term "parked" implies that
14 there is a Web site with cost-for-click ads, and so it's
15 parked, it's directing to some parking spot that has ads on it,
16 and that's what the defendant is doing in this case. He's not
17 making use in commerce the way Delta Faucets would be if the
18 DELTA generic mark or Delta Airlines would be.

19 And in a case where intent is difficult to prove, and
20 the Fourth Circuit has said that, we've done as much as anybody
21 can to try and show it. We've shown these other domains. He's
22 admitted he knows they're trademarked. We have e-mails at
23 least showing some sort of knowledge of, of the earlier case,
24 and I think that that's enough to get over the, the intent
25 portion of the standard, and intent is typically supposed to be

1 inferred from the subsequent actions of the, of the registrant
2 anyway, and I think if every ACPA case were lost because you
3 couldn't show the intent of the registrant, they all would be
4 lost. So --

5 THE COURT: Well, talk about the use of the mark now.

6 MR. RINEHART: Well, the --

7 THE COURT: If, if I find that there's not sufficient
8 evidence to show that he was aware of the mark so he could not
9 have had a bad faith intent to profit from the mark that he
10 wasn't aware of when it was registered in March of 2013, he
11 clearly became aware of it in September of 2014.

12 MR. RINEHART: Now, Your Honor --

13 THE COURT: So that gets to the use.

14 MR. RINEHART: One final point: The, the Lanham Act
15 imputes constructive notice to all domain name registrants, so
16 even if the Court were to rule that he did not have actual
17 notice, constructive notice would still be an issue.

18 THE COURT: Well --

19 MR. RINEHART: It is a --

20 THE COURT: -- again, that goes to the same issue of
21 I have a trademark; you have notice of it just because I have a
22 trademark.

23 How does bad faith intent to profit then come into
24 play if you automatically have notice of it through
25 constructive notice by the registration of the mark?

1 MR. RINEHART: Okay. Well, that moves on into the
2 next, the next point you wanted to get into, which is the bad
3 faith use, and there are a lot of factors that can be
4 considered in bad faith use, and one is legitimate use by the
5 registrant in connection with the goods and services, and in
6 this case, the use by the registrant would never constitute use
7 in commerce before the Trademark Office.

8 There are just simply ads to other parties being put
9 on the --

10 THE COURT: Well, is the requirement in the bad faith
11 analysis the same as the requirement that you would have in
12 registering a trademark?

13 MR. RINEHART: Well --

14 THE COURT: You said a couple of times now that it
15 wouldn't be considered use in commerce by the Trademark Office,
16 and I assume you mean for registering a mark.

17 MR. RINEHART: Um-hum.

18 THE COURT: But what, what do you have to say that
19 the use has to be the -- the same standard would apply as to
20 use in commerce for under the Cyberpiracy Prevention Act as for
21 trademark registration?

22 MR. RINEHART: Well, I have the, the cases that I
23 cited in the plaintiff's motion for summary judgment brief, and
24 these factors are listed and --

25 THE COURT: Well, it says "bona fide offering of any

1 goods or services." That's one of the factors.

2 MR. RINEHART: Yes.

3 THE COURT: Right? So if you go to the Web site
4 MYSCHOOL.COM, there are goods and services being offered at
5 that Web site.

6 MR. RINEHART: I would disagree, Your Honor. There
7 are links to other parties who are offering goods and services.

8 THE COURT: Well, your client's Web site is the same
9 way. You've got to go to a link to get to goods and services,
10 or at least on the specimen that I've seen.

11 MR. RINEHART: Well, when you arrive at the Web site,
12 you have the opportunity to post messages on the Web site
13 itself to acquire information from the Web site itself. The
14 defendant's Web site differs in that it's no more than just a
15 parked page, a landing page for third parties to advertise.
16 There aren't any actual goods or services on the Web site, nor
17 is the mark used on the Web site, I don't believe.

18 THE COURT: Okay.

19 MR. RINEHART: If simply registering a domain name or
20 use, then that, that prong of the standard would be pretty
21 shallow.

22 THE COURT: Let's go back. You say it isn't used on
23 the Web site? I mean, it -- the banner is "MYSCHOOL.COM,"
24 right? Can you see that? It's one of your exhibits, so I
25 would --

1 MR. RINEHART: It is, Your Honor, but to constitute a
2 specimen, it has to be shown in connection, close connection
3 with the goods or services.

4 The defendant, all of its pages, all 50,000 of them
5 automatically put the name of the domain name at the top of the
6 parked page, the landing page, and put these same ads on the
7 page. To -- for the Court to rule that these ads were a bona
8 fide offering of goods or services would be to rule that the
9 defendant has 50,000 trademarks for each of its landing pages.

10 THE COURT: It's not a trade -- I'm not asking
11 whether the registrant of MYSCHOOL.COM has a trademark in
12 MYSCHOOL.COM. My question goes to whether the use of the
13 domain name MYSCHOOL.COM is a use of the domain name in
14 connection with the bona fide offering of any goods or
15 services.

16 MR. RINEHART: Okay.

17 THE COURT: That's what the ACPA requires, not that
18 it be use in commerce as set out in the trademark prosecution
19 requirements.

20 MR. RINEHART: I understand.

21 THE COURT: All right. So let's go back to the use
22 after September 4, 2014. Help me understand what your argument
23 is as to why any use of the mark after that time could be
24 considered to be a bad faith intent to profit from the mark.

25 MR. RINEHART: Well, after September of 2014, I would

1 think it would be undisputed that the defendant did have
2 knowledge of the mark because the second UDRP case had been
3 filed at that point informing him of the mark, and he continued
4 to use the domain name in the same way he had before, to, to
5 have these ads on the site.

6 THE COURT: And at that point in time, he was also
7 aware of the first UDRP proceeding, right?

8 MR. RINEHART: He was.

9 THE COURT: So why, why is that bad faith intent to
10 profit from the mark given the knowledge that he had on or
11 around September 4 of 2014?

12 MR. RINEHART: Well, Your Honor, we believe that,
13 that the -- there were both express and implied
14 misrepresentations made in the UDRP cases, and that's one of
15 the reasons we're asking the Court to review them de novo
16 and --

17 THE COURT: Well, I, I understand I don't -- I'm not
18 here as an appellate court to make a decision whether the UDRP
19 proceeding was accurate or not, okay? And, you know, I, I
20 understand your position on that, that, you know, they are not
21 persuasive, they're not -- but the question I'm trying to get
22 to is that being aware of the earlier UDRP proceeding and
23 contesting the allegations in the second UDRP proceeding, how
24 does that show bad faith and intent to profit from the mark
25 from September 4 of 2014 going forward?

1 MR. RINEHART: Well, the, the behavior was the same,
2 and it, it was cost-per-click ads of third parties, he's
3 benefiting at 700 a month, and he's continuing to try and sell
4 the domain name to anybody that he can, and so he's continuing
5 to try and profit in the same way as he was before.

6 THE COURT: Well, he's, he's had offers to -- he's
7 trying to sell -- let me understand your argument on that.
8 What is your basis for saying that he is trying to sell the
9 domain name as opposed to he has when asked responded to
10 inquiries about buying the domain name in amounts that clearly
11 shows no interest in selling the domain name?

12 I mean, I think at least having -- my understanding
13 of the record is that's what's happened, not that he has
14 actively been trying to sell the domain name.

15 MR. RINEHART: I believe, Your Honor, that that --
16 that the Court is -- needs a little more information on that
17 issue. He was actively trying to sell the domain name by
18 posting it on auction sites. Even through the commencement of
19 this litigation, he had it posted on third-party Web sites
20 where he was trying to sell it as quickly as possible. If the
21 Court remembers, there was a motion to freeze the domain with
22 the registry Verisign because he was doing just that, and I
23 don't have in my head a list of all the places where he's
24 trying to sell it, but he has posted it on Sedo, and he has
25 posted it on LiveAuctions.com. I don't believe that's disputed

1 that he's done that.

2 THE COURT: Okay. Now, while you're up, I want you
3 to address your -- the issue as to the postings that have been
4 made part of the record either by your client or by your
5 client's cousin or -- I want to hear what your position is as
6 to who was actually making those postings.

7 MR. RINEHART: Your Honor, the, the postings in
8 question were made, I believe, on September 2 of, of this year,
9 after discovery closed, after the litigation had been going for
10 some period of time. If you look at the, the Web site there,
11 there are 37 different posts, and different parties seem to be
12 antagonizing each other. This is not a -- these are not
13 records that I think any party would be happy knowing suddenly
14 were in front of a court of law, but they didn't expect that at
15 the time.

16 We believe -- and, of course, we can't do discovery
17 on it because it happened after discovery -- that some of the
18 posts that were galvanizing my client or his cousin were posted
19 by the defendant, including a post where he threatens to make
20 him bankrupt and on welfare. His posting was in response to
21 that posting.

22 And so this is just an example of the parties
23 bickering, you know, without their counsel's knowledge on the
24 Internet. And the -- my client has made settlement offers,
25 including settlement offers that would allow the defendant to

1 keep the res. He does not want this litigation to become
2 protracted, the way that it has.

3 And so this is just the parties' arguing and venting
4 on the Internet.

5 THE COURT: Well, clearly, that is completely
6 inconsistent with what that posting was, and it does appear
7 that whoever made that post had information that was of, not
8 available to the general public as to the status of the case
9 and what was going on in the case, so it either had to have
10 been your client or someone directly related to your client who
11 made that posting, right?

12 MR. RINEHART: Yes, Your Honor. I believe it was
13 actually typed by my client's cousin but with the knowledge of
14 my client.

15 THE COURT: In trying to make this the most expensive
16 litigation ever, I mean, those are, are inconsistent with your
17 statement that your client didn't want this case to turn into
18 what it has turned into, and he's going to appeal it, he's
19 going to do this, he has nothing to lose, I mean, those are,
20 are troublesome statements for a litigant to be saying.

21 MR. RINEHART: What I would submit, Your Honor, is
22 that to the extent actions speak louder than words, his actions
23 have shown that he does not want the case to become protracted
24 and expensive, and there have been settlement offers to dismiss
25 the case at a couple of different points because he doesn't

1 want the case to become so protractive and -- protracted and
2 expensive.

3 And if you look at the record, it's actually the
4 defendants who have attempted to protract it, to the point that
5 it is now through these discovery requests, through the
6 behavior that is complained of in the reply brief, and so I
7 would ask the Court just to keep that in mind in evaluating the
8 issue.

9 THE COURT: Okay. Anything else that you want to
10 argue in your first go-round?

11 MR. RINEHART: Not unless the Court has additional
12 questions. I'll save the rest for rebuttal.

13 THE COURT: Okay. Thank you.

14 All right, Mr. Weslow?

15 MR. WESLOW: Thank you, Your Honor. Your Honor, I
16 know that the Court is familiar with our papers, and I do not
17 want to belabor the points, but I do want to highlight three
18 issues on the defendant's motion for summary judgment.

19 First, the ACPA does require specific bad faith
20 intent to profit, which is not possible without knowledge of
21 the trademark; second, the registration and use of the domain
22 name here constitutes statutory fair use under the Lanham Act;
23 and third, the, excuse me, registration of the domain name is
24 also protected under the ACPA safe harbor.

25 It is well settled that the ACPA requires plaintiff

1 to show that the defendant had a specific bad faith intent to
2 profit from the plaintiff's trademark. This is shown both by
3 the legislative history and the numerous court opinions cited
4 in our papers. The plaintiff has not provided a single ruling
5 in support of the allegation that bad faith intent to profit is
6 not required in an in rem action or that constructive knowledge
7 of a trademark is sufficient for an ACPA action as opposed to a
8 trademark infringement action.

9 The discovery responses and documents produced in
10 this matter all corroborate the sworn testimony that the owner
11 of the domain name had no prior knowledge of the plaintiff or
12 his very limited use of the term "myschool" when acquiring the
13 domain name. There simply is no contrary evidence. And
14 without knowledge of the trademark, the owner of the domain
15 name could not have registered the domain name with a bad faith
16 intent to profit from the plaintiff's trademark.

17 Plaintiff's counsel's comment that the evidence in
18 support of bad faith intent, he indicated there were two
19 things. The e-mail from Mr. Belousov to Mr. Booth, which Your
20 Honor correctly pointed out occurred after receipt of the UDRP
21 complaint, that could not show prior knowledge of the trademark
22 a year and a half prior.

23 The second item that plaintiff's counsel identified
24 as supporting evidence of bad faith intent was the deposition
25 transcript, and specifically he referred to Mr. Belousov's

1 investigation before purchasing the domain name.

2 The transcript actually shows that Mr. Belousov's
3 pre-purchase investigation included use of a proprietary
4 software and manual review of more than 100 variables regarding
5 the desirability and generic nature of the domain name. This
6 investigation showed over 3,000 domain names containing
7 "myschool," which confirmed that no party owned exclusive
8 rights in that word combination, and also identified thousands
9 of Web sites containing "myschool" to confirm that no party
10 owned exclusive rights in the domain name.

11 Mr. Belousov also assessed the domain name's
12 composition --

13 THE COURT: Well, I take it that this, you know,
14 hundred-factor analysis doesn't do a trademark search? Is
15 that --

16 MR. WESLOW: No. No, Your Honor, that's correct.

17 THE COURT: Okay.

18 MR. WESLOW: At that, at that point in time, the
19 software which Mr. Belousov had custom built for this purpose
20 did not also query trademark databases.

21 THE COURT: So when there's -- the statement that he
22 does investigations having to do with trademarks, what is
23 that --

24 MR. WESLOW: Your Honor, I think --

25 THE COURT: What is there in the record that

1 indicates that he did trademark registration investigations?

2 MR. WESLOW: Your Honor, I think that's a
3 mischaracterization of the deposition testimony. I don't
4 believe that Mr. Belousov said that he undertook trademark
5 investigations. He did use his proprietary software as well as
6 Internet research, but at that point in time, he was not in the
7 practice of searching trademark databases.

8 THE COURT: Okay.

9 MR. WESLOW: Neither of those two categories of, of
10 information that the plaintiff identified support the argument
11 that the defendant -- the owner of the domain name had a
12 specific knowledge of the trademark and bad faith intent to
13 profit from the trademark when registering the domain name.
14 There simply is no contrary evidence, and without knowledge of
15 the trademark, the owner of the domain name could not have
16 registered the domain name with bad faith intent to profit from
17 the plaintiff's trademark.

18 Moving on to the second category I wanted to
19 highlight, the registration and use of the domain name
20 constitutes statutory fair use under the Lanham Act. Under the
21 statute, a junior user may use a registered trademark as long
22 as it is a use other than as a trademark.

23 Descriptive and suggestive trademarks such as
24 MYSCHOOL are particularly susceptible to fair use given that
25 the words have plain meanings and are not removed from the

1 English language by virtue of one party obtaining a trademark
2 registration for a specific set of goods or services.

3 It's undisputed that the owner of the domain name
4 used the term "myschool" only in connection with the
5 descriptive meaning, and Mr. Belousov testified that, quote,
6 from day 1, he made sure that all of the links on the site are
7 completely targeted to the descriptiveness of the name.

8 THE COURT: What about "classmates"?

9 MR. WESLOW: Your Honor, Google requires any Web site
10 owner to include a search box that in essence runs a Google
11 search beneath the box. It says "search advertisements." In
12 this case, the only way the plaintiff was able to trigger these
13 specific advertisements for "classmates" was to use that search
14 functionality and search for certain terms like "high school,"
15 for example, and other terms.

16 The plaintiff's use of that search did not include
17 searching "myschool." It included other terms that, that
18 plaintiff figured out would trigger these specific ads, such as
19 "classmates."

20 THE COURT: Well, what, what are the ads that show up
21 when you just put in "MYSCHOOL.COM"?

22 MR. WESLOW: In the search box?

23 THE COURT: Yeah.

24 MR. WESLOW: They would be roughly identical to the
25 ads that are shown on the, the front page of the site because

1 it's the same Google search algorithm. So Google pre-populates
2 the main page with input from the domain name owner, and if a
3 search for that same term was put into the search box, it would
4 result in roughly the same advertisements.

5 THE COURT: Well, I understand, I mean, you, you say
6 that the Plaintiff's Exhibits M and N, I guess, were the result
7 of going in and doing a search under "high school." Is, is
8 there anything in the record that shows me what it is when --
9 what the original landing page is for "MYSCHOOL.COM" in the
10 record? Where is it? Is there an exhibit that shows that?

11 MR. WESLOW: Your Honor, I don't believe we, we put
12 an exhibit into the record showing the, the site without the
13 search function that plaintiff, that plaintiff put into the
14 record.

15 THE COURT: Okay. So I take it your fair use
16 argument goes really to, well, it goes to both, but it's
17 focusing more on the September 4 going forward time period
18 since at that point in time, your client knew of the trademark
19 registration; is that right?

20 MR. WESLOW: Yes, Your Honor. It's our position that
21 the, any use of the domain name following the initial purchase
22 in March of 2013 qualified as statutory fair use when the
23 defendant or owner of the domain name acquired knowledge of the
24 trademark. The use after knowledge of the trademark would also
25 be a statutory fair use given that the use was consistent from

1 the initial purchase of the domain name. All use was tied to
2 the descriptive meaning of the term. All the content of the
3 site was tied to the descriptive meaning of the term.

4 The knowledge of the trademark occurred at the time
5 of the second, excuse me, second UDRP proceeding. After
6 learning of the -- after receiving a second UDRP proceeding,
7 the domain name owner learned of the first and then
8 subsequently won that second proceeding as well. Those
9 proceedings then validated his belief in the lawfulness of his
10 ownership and use of the domain name. The use has been
11 consistent from March of 2013 through to the present, excuse
12 me, and always tied to the descriptive nature of the name.

13 The third point I wanted to highlight is that the
14 domain name -- the use of the domain name registration and use
15 is also protected by the ACPA safe harbor. Under this
16 provision, bad faith shall not be found in any case in which
17 the Court determines that the person believed and had a
18 reasonable grounds to believe that the use of the domain name
19 was a fair use or otherwise lawful.

20 The ACPA safe harbor applies here for three reasons:
21 The first were the registrant's pre-purchase efforts to assess
22 the nature of the domain name, which I discussed a moment ago;
23 the second is that the domain name's composition is made up of
24 common nouns and the domain name was purchased for that
25 descriptive meaning; finally, the two UDRP proceedings issued

1 by a total of six panelists confirmed the right of a third
2 party to use the MYSCHOOL.COM domain name notwithstanding
3 plaintiff's trademark rights.

4 As I mentioned, these UDRP proceedings confirm the
5 reasonableness of the registrant's belief that use of the
6 domain name was lawful.

7 THE COURT: Well, why, why wouldn't that come into
8 play in every ACPA case if this safe harbor applies to, you
9 know, you've lost the UDRP, you now are appealing it, I don't
10 have bad faith because I want a UDRP proceeding? I don't
11 understand that.

12 MR. WESLOW: Your Honor, I, I would say it would have
13 some bearing on the subsequent litigation, but it's not our
14 argument that that alone is dispositive. That fact that the
15 UDRP decision was rendered in favor of the domain name is one
16 component and to -- confirming the lawfulness of the use of the
17 domain name, but certainly I would agree that that alone would
18 not be sufficient to make a finding that the ACPA safe harbor
19 applied in any case where there was an unsuccessful UDRP
20 proceeding.

21 THE COURT: Well, what other evidence do you have
22 about the safe harbor other than the UDRP proceeding?

23 MR. WESLOW: The safe harbor applies in any case that
24 the person believed and had reasonable grounds to believe that
25 use of the domain name was a fair use or otherwise lawful. In

1 support of that qualification for the safe harbor, I mentioned
2 the pre-purchase investigation undertaken by the owner of the
3 domain name. This included use of his software that identified
4 over 3,000 third-party-owned domain names, confirming that no
5 one owned exclusive rights in the name, thousands of other Web
6 sites including "myschool," as well as his intention to use the
7 domain name for its descriptive use and his making good on that
8 intention and using the domain name from the date of purchase
9 to the current time in association with the descriptive use.

10 Your Honor, as for the argument that the owner of the
11 domain name owns 50,000 domain names, as the Court correctly
12 pointed out, ownership of domain names alone is not sufficient
13 to equal -- to render a finding that a domain name owner is a
14 cybersquatter, and as for these 50,000 domain names, the
15 plaintiff has not shown a single domain name that corresponds
16 to a coined trademark like Verizon and Porche. That's by
17 intention and through the deliberate business practices of the
18 domain name owner to make sure that he's not purchasing coined
19 domain names.

20 As for descriptive and suggestive trademark
21 registrations, these trademark registrations do not remove the
22 words from the English language or preclude statutory fair use
23 of the words or invocation of the ACPA safe harbor. The few
24 domain names that counsel highlighted a few moments ago are all
25 descriptive and suggestive trademarks that are clearly subject

1 to statutory fair use as well as the safe harbor as well as if
2 this were a trademark infringement case, there could be
3 noninfringing uses such as the Delta-Delta example highlighted
4 by the Court.

5 Your Honor, finally, in relation to the referenced
6 attempts to sell the domain name, I think the record is clear
7 that all of the quotations for prices to sell the domain name
8 were in response to inbound inquiries that were received by the
9 domain name owner.

10 The allegation that the domain name owner is
11 attempting to sell the domain name through auction sites is
12 unsupported. I think that was raised at the deposition.
13 There's just no -- that's speculation. There's nothing to
14 support that. The --

15 THE COURT: Well, are they listed on auction sites,
16 and did he ask that they be listed on auction sites?

17 MR. WESLOW: He did not ask that they be listed on
18 auction sites. He does have a contract with a broker to
19 respond to inbound inquiries, such as the inquiries that were
20 received over the course of the case by a friend of the
21 plaintiff.

22 THE COURT: What about the factor, the person's prior
23 use, if any, of the domain name in connection with the bona
24 fide offering of any goods or services?

25 MR. WESLOW: Your Honor, the -- as the Court pointed

1 out, this is not a static Web page with an "under construction"
2 label. This is a functioning Web site. Users who type
3 in "MYSCHOOL.COM" can click on the links, being routed to
4 information that they may be looking for. This is a component
5 of the defendant's business and is a pretty significant
6 business that third parties engage in on the Internet today.

7 The fact that the content of the site has nothing to
8 do with the plaintiff's trademark or the plaintiff's service
9 shows that this is a legitimate use of the domain name.

10 THE COURT: Okay. Any other arguments at this time?

11 MR. WESLOW: No, Your Honor. I'd be happy to answer
12 any questions.

13 THE COURT: All right, thank you.

14 Okay. Mr. Rinehart?

15 MR. RINEHART: Your Honor, just since the defendant's
16 counsel has been speaking, I've been going through the
17 deposition and trying to find examples of the defendant,
18 Yonaton Belousov, discussing these search criteria that he
19 uses, and the deposition is extensive. It's over 300 pages, I
20 believe, but he does talk about --

21 THE COURT: Well, the testimony itself was only about
22 150 pages.

23 MR. RINEHART: Okay. That's right.

24 THE COURT: Do I have -- there was only one
25 deposition. It was all done on August 14; is that correct?

1 MR. RINEHART: That's right. I, I believe on page
2 66, 67, and 75 of the deposition, he does discuss trademarks,
3 and these are just the examples I've been able to find just in
4 the last minute or two, and his understanding that some of the
5 domains may be trademarked.

6 He says on page 75 that one of the criteria that he
7 uses is he looks at how many times people are searching on
8 Google for that expression that's incorporated by the domain
9 name, and the more often it's being searched for, the more
10 valuable the domain is to him. This suggests that he's
11 registering domain names that he knows people are looking for.

12 THE COURT: That's going to generate traffic. It
13 doesn't -- just because somebody, I mean, I go in and search
14 for, you know, UVA football, I know that's a trademarked, you
15 know, I know UVA is, football probably has some kind of
16 trademark rights to it, but, you know, if a lot of people are
17 doing that, that just means he's looking for a domain name
18 that's going to drive traffic, right, not that it's got a
19 trademark.

20 Just, just because something is popular doesn't mean
21 it's got a trademark to it.

22 MR. RINEHART: But it does -- that combined with his
23 admission that he knows the domains are trademarked does
24 suggest that he's, that he's aware that some of the traffic is
25 being driven because it's trademarked.

1 THE COURT: Okay.

2 MR. RINEHART: And presumably well-known trademarks
3 would have higher traffic, and so he is trying to benefit in
4 that sense from traffic that may being intended for, for
5 trademarked domain names.

6 This broker agreement that the defendant had, it did
7 say that the broker would try and sell the domain name on these
8 other Web sites, so the defendant knew and took steps to
9 contract with a party toward a sale of domain name on other
10 third-party Web sites.

11 THE COURT: Well, if, if you look at your Exhibit M,
12 there is a footer that apparently shows up on some of these
13 indicating, "This domain may be for sale." Is that what you're
14 talking about?

15 MR. RINEHART: Well, he -- the domain name itself
16 says the domain -- the Web site at the domain MYSCHOOL.COM says
17 the domain name may be for sale, but there are other
18 third-party Web sites where the domain is listed for sale, and
19 apparently, it's listed by this broker with whom the defendant
20 contracted, but the fact is an agent of the defendant or the
21 defendant himself is listing the domain for sale in all of
22 these third-party Web sites and accepting offers from
23 individuals who see the domain name for sale on these Web
24 sites.

25 THE COURT: All right. Well, where -- what exhibits

1 do you have that support that representation that these
2 other -- that this domain name is being listed by auction
3 sites?

4 MR. RINEHART: Well, I, I would have to refer the
5 Court back to the motion for the registry lock, which has --

6 THE COURT: No, we're here on a motion for summary
7 judgment. I mean, that doesn't incorporate each and every
8 pleading for each and every motion that's been filed. I'm
9 deciding this on the record that's in front of me on the motion
10 for summary judgment.

11 So what, what evidence do you have as to this domain
12 name being registered by the registrant or being --

13 MR. RINEHART: Well, there, there was an admission of
14 counsel just a moment ago that the defendant is doing this.
15 The deposition, I believe, talks about it.

16 THE COURT: All right. Well, let's --

17 MR. RINEHART: The, the only time Belousov admits in
18 the deposition he makes most of his money off of the purchase
19 and sale of these domains --

20 THE COURT: Right. I mean, he talks about that he
21 tried to liquidated some, he sells others, but, I mean, what he
22 does with all of them is different than what he's doing with
23 this one, so --

24 MR. RINEHART: It wasn't an issue that was briefed in
25 summary judgment very well, but there is this broker agreement.

1 On page 95 of the deposition, Belousov, line 15, says that the
2 domain -- there is a link on the domain name saying that they
3 might be for sale.

4 THE COURT: They click it.

5 MR. RINEHART: Yeah. He talks about the sales cycle
6 on 97.

7 He talks on page 101, I think this is important, that
8 the domain is listed for sale on Afternic.com, which is a
9 third-party Web site. So there's at least something in the
10 record saying he's listed it there.

11 THE COURT: Okay.

12 MR. RINEHART: Those are the references that I'm
13 aware of in the record accompanying this motion, Your Honor.

14 THE COURT: Okay. What else?

15 MR. RINEHART: Are there issues that the Court would
16 like more clarification on?

17 THE COURT: I don't think so at this time. Do you
18 need the opportunity to say anything else that you want to say
19 either in support of your motion for summary judgment or in
20 opposition to the defendant's motions?

21 MR. RINEHART: I don't have any further arguments to
22 advance at this time, Your Honor.

23 THE COURT: Thank you.

24 Mr. Weslow?

25 MR. WESLOW: Your Honor, we don't have anything

1 further unless the Court has any questions.

2 THE COURT: No. All right. I'm going to take a
3 recess. I'll reconvene at 12:30, and I'll make a decision on
4 the pending motions for summary judgment at that time, okay?
5 Thank you, counsel.

6 MR. RINEHART: Thank you, Your Honor.

7 (Recess from 11:48 a.m., until 12:31 p.m.)

8 THE COURT: Well, before the Court are the parties'
9 cross-motions for summary judgment in the matter. Having
10 reviewed the various pleadings that have been filed by all the
11 parties and by the argument that's been presented here today,
12 we have defendant's motion for summary judgment, which is
13 docket No. 122, and plaintiff's cross-motion for summary
14 judgment, that is docket No. 142.

15 First of all, the Court's going to make a finding
16 that the Court does have subject matter jurisdiction over this
17 case. This is a federal question case, so 28 U.S.C. 1332, it's
18 a claim brought under the Lanham Act.

19 Under 15 U.S.C. 1121, I also find that in rem
20 jurisdiction is proper under 15 U.S.C. 1125(d)(2), and that the
21 registrant resides in Canada and that the plaintiff in this
22 case would not have been able to obtain personal jurisdiction
23 over the registrant in a court in the United States.

24 I also find that venue is proper in this court as the
25 registry for this dot-com domain name is located in the Eastern

1 District of Virginia.

2 As to the substantive merits of the various claims,
3 you know, the first issue is whether there is any material fact
4 that is in dispute. There has to be more than just conclusory
5 allegations, mere speculation, or the existence of the
6 scintilla of evidence.

7 Having reviewed the record and the arguments of
8 counsel, I don't find at this time that there are any material
9 facts that are in dispute. I think this is -- case is ripe for
10 the decision on summary judgment here today.

11 Plaintiff's amended complaint does assert a claim
12 under the Anticybersquatting Consumer Protection Act, that is,
13 15 U.S.C. 1125(d). The first element of that statute is that a
14 person must have a bad faith intent to profit from that mark,
15 and that mark referring to the plaintiff's mark, and that's one
16 of the main issues in this case is whether there has been a
17 sufficient showing as to the bad faith intent to profit from
18 the mark.

19 In this case, first as to the registration of the
20 mark, and the statute talks about both registration,
21 trafficking in, or using of a domain name, but as to the domain
22 name was registered in March of 2013, it seems to be
23 undisputed. The Court finds that at the time of the
24 registration, the plaintiff had failed to present sufficient
25 evidence it could support a finding of bad faith of intent to

1 profit from the plaintiff's mark.

2 I mean, the only evidence that the registrant knew of
3 the plaintiff's mark at the time of registration is a
4 September 4, 2014 e-mail that references an earlier UDRP
5 proceeding. I think when you look at that letter, it's just
6 mere speculation, that there's no way to look at that e-mail,
7 that it really cannot support a finding of knowledge more than
8 18 months before then, particularly in the fact of the
9 deposition testimony that was given explaining that e-mail and
10 how that e-mail came about, that trying to make an argument
11 that September 4, 2014 e-mail can support a finding of
12 knowledge back in March of 2013 is, is insufficient.

13 So I find that there isn't sufficient evidence to
14 support a finding of bad faith at the time of the registration
15 of the mark.

16 I also find that as of September 4, 2014, going
17 forward, that there was no bad faith intent to profit from this
18 mark. There has been use of the domain name, and obviously,
19 that's the issue that I'm dealing with now is the use of the
20 domain name.

21 The statute itself sets out a number of nonexclusive
22 factors that are to be considered in making a determination as
23 to whether there is bad faith intent to profit from the mark.
24 I think the parties have agreed that certainly the first two
25 factors, that is, whether the registrant had any trademark

1 rights or whether it is the legal name of the registrant,
2 really are in the favor of the plaintiff in this case, that the
3 registrant didn't have any trademark rights in "myschool."

4 I do find and I think the evidence is clear in this
5 case that the registrant has prior to the filing of this action
6 used the domain name in connection with a bona fide offering of
7 goods and services. I think, you know, it's clear that as,
8 starting in March of 2013 to the present, it has been using the
9 domain name for the bona fide offering of goods and services,
10 albeit, you know, links and that, but it is using it in
11 commerce, it's obtaining about \$700 a month in revenue based on
12 its use of the domain name.

13 You know, I, I think that really is commercial use.
14 It's not noncommercial fair use. I think when, when -- you
15 know, there hasn't been any real noncommercial use of the mark,
16 that the mark has really been more for commercial purposes
17 given that, so, you know, that's not a factor that I think that
18 comes into play in this case.

19 And I don't find that there's been a showing of any
20 intent to divert consumers from the mark's -- from the mark
21 owner's online location. There hasn't been any evidence of
22 likelihood of confusion as to the source sponsorship
23 affiliation or endorsement of the site. There's been no
24 evidence as to what good will, if any, there really is in the
25 use of the mark MYSCHOOL based on the plaintiff's registration

1 and use of the mark, and there's certainly no indication that
2 there's any tarnishment or disparagement of the MYSCHOOL mark,
3 so I don't find that there's been any showing of intent on
4 behalf of the registrant here to divert traffic from what
5 otherwise would have been going to the plaintiff or that
6 there's been any confusion to the source sponsorship, as
7 indicated in factor 5.

8 Factor 6, you know, is unclear, to be honest with
9 you. The -- this is the offer to transfer, sell, or otherwise
10 assign the domain name to the mark owner or third party for
11 financial gain. They certainly have used the mark, and so I
12 think that this factor in itself really goes into play in those
13 where someone registers what they deem to be a trademark and
14 then try to sell it to the trademark owner.

15 In this case, that's not that we have here. We have
16 someone who registered MYSCHOOL.COM, not knowing about the
17 registration of the mark and not then trying to turn it around
18 and sell it without using it. You've got someone who actually
19 has been using the mark, who's kept the mark, who may be
20 offering it for sale, and that's a little bit unclear as to
21 whether it's, you know, they're actually trying to sell it or
22 whether they're entertaining offers to buy it. It's not quite
23 clear, so I don't find that is a, a strong factor in either
24 side's favor there.

25 There certainly -- and there's been some argument

1 about misleading and false information. I don't find that the
2 use of a privacy service is in and of itself false or
3 misleading information. I think that's pretty customary in the
4 industry now that a lot of registrants use privacy services,
5 and I don't think there's any evidence that shows that the use
6 of that in any way impeded the mark owner's ability to pursue
7 any action.

8 In this case, when he filed the second UDRP
9 proceeding, it was clear that that information was brought to
10 light and the registrant actually came in and dealt with that
11 second UDRP proceeding, so I don't find that factor 7 supports
12 the plaintiff's claim in this case.

13 Clearly, the registrant here has acquired and
14 registered multiple domain names, I mean, thousands, we're
15 talking about maybe 50,000 domain names all total, but, you
16 know, a review of those domain names I don't think strongly --
17 certainly they're not out there -- he's not out there
18 registering famous marks of others, and whether he's
19 registering marks that are distinctive at the time of
20 registration, I think, could be arguable.

21 Certainly as, as the evidence has shown by the
22 exhibit, the summary exhibit that was presented by the
23 plaintiff, there are a number of domain names that have been
24 registered that do have trademarks, but I don't find that as
25 compelling as the plaintiff is arguing here given the nature of

1 the domain names, and, and we went through some of the issues
2 here today as to why that factor may not be as significant in
3 this case as it would be in some others.

4 You know, it's clear that the plaintiff's mark here
5 is not a famous mark. I don't think there's been any argument
6 as to that, and I, I think it's somewhat of a close call as to
7 whether it really is distinctive, but if it is distinctive,
8 it's only distinctive as to the specific uses that are set out
9 in the registration, and so, you know, I don't find that there
10 is that, a significant strength of the mark argument in factor
11 9.

12 Some other factors that I do take into consideration
13 in making the determination of no bad faith in this case is,
14 you know, the -- and this is from September 2014 going
15 forward -- is that the registrant was aware at that time of an
16 earlier UDRP proceeding that upheld the registration of the
17 domain name by someone other than the trademark owner, and
18 while I understand that decision dealt with the issue of prior
19 registration, it also dealt with some other issues in there
20 that, you know, a fair reading of that decision could lead one
21 to have a reasonable belief that they could continue to use it
22 and that the plaintiff -- and that the registrant in this case
23 did use the mark in its descriptive nature of the due terms and
24 continued to do so and is doing so at the present time.

25 So I find that at the time of the registration and

1 going forward, the registrant did have a reasonable ground to
2 believe that it was fair use of using the mark or otherwise
3 that it was lawful, and that's also another factor taking into
4 consideration that there was no bad faith intent here.

5 So having found there's no bad faith intent, I'm
6 going to grant the defendant's motion for summary judgment.
7 I'm going to deny the plaintiff's motion for summary judgment.

8 I'm not going to delve into the issue of validity in
9 this case. I mean, I think that's not something that needs to
10 be decided given my finding on the, on the bad faith elements
11 here today as to whether the, there was a sufficient specimen
12 and whether there was sufficient use at the time of, I guess,
13 in 2008, when it went from an intent to use to a use
14 application.

15 Both sides have asked for attorneys' fees in this
16 case. You know, I've got to say that that's a close call given
17 the recent postings by the plaintiff as to whether I should
18 make a determination of this being an exceptional case and
19 award attorneys' fees to the defendant, but, you know, I'm
20 looking at the case as a whole, not just what happened since
21 September, and I think when the case was originally brought,
22 you know, clearly, the plaintiff had a registered trademark,
23 the domain name is, is a, not a knock-off of the trademark,
24 it's a complete use of that trademark, and that the filing of
25 the case was appropriate, and while some amendments or whatever

1 may have been done sooner rather than later in this case, I
2 don't find that the way this case has been litigated, that
3 makes it an exceptional case.

4 Obviously, the defendant will be entitled to the bill
5 of costs as would normally be for a prevailing party but -- so
6 my ruling is that I'm granting the defendant's motion for
7 summary judgment and denying the plaintiff's motion for summary
8 judgment. We'll get an order entered within the next day or so
9 that will have a judgment entered in favor of the defendant.

10 Okay? Any questions about the ruling, counsel?
11 Mr. Barnes?

12 MR. BARNES: No, not from the defendant, Your Honor.

13 THE COURT: Mr. Rinehart, any questions on the
14 ruling?

15 MR. RINEHART: No, Your Honor.

16 THE COURT: Okay. Thank you. Court will be
17 adjourned.

18 (Which were all the proceedings
19 had at this time.)
20

21 CERTIFICATE OF THE TRANSCRIBER

22 I certify that the foregoing is a correct transcript from
23 the official electronic sound recording of the proceedings in
24 the above-entitled matter.

25 _____
/s/
Anneliese J. Thomson